

# **SMALL BUSINESS LOAN FUND CORPORATION**

## **MINUTES OF THE BOARD OF DIRECTORS**

**SEPTEMBER 24, 2009**

A monthly meeting of the Board of Directors (the "Board") of the Small Business Loan Fund Corporation (the "Corporation") was held in public session at the offices of the Rhode Island Economic Development Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on September 24, 2009 at 9:35 a.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. Raymond Fogarty (Chair), Mr. William Parsons, Mr. Thomas Stocker and Mr. Richard DeMerchant.

The following Director(s) were absent: None.

Also present were: Earl F. Queenan Jr., Corporation Administrator; Sean W. Esten, Corporation Administrator; Anthony J. Scolavino, Special Consultant; Thomas V. Moses, Legal Counsel; Carol J. Anguilla, Moses & Afonso, Ltd; Sue Morgan, Director of Accounting for Rhode Island Economic Development Corporation and Andrew Caruolo for Robert Bromley, Legislative Fiscal Analyst.

Mr. Fogarty presided over the meeting.

### **1. Call to Order**

Mr. Fogarty called the meeting to order at 9:35 a.m.

### **2. Approval of the Minutes of the Meeting Held on August 28, 2009**

The first item to come before the Board was approval of the Public Session Minutes and the Executive Session Minutes of the Board meeting held on August 28, 2009. Upon motion duly made by Mr. Parsons and seconded by Mr. Stocker, the motion to approve the Public Session Minutes and the Executive Session Minutes of the meeting held on August 28, 2009 was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

**3. Maintain the Executive Minutes of August 28, 2009 Confidential**

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on August 28, 2009. Upon motion duly made by Mr. Parsons and seconded by Mr. DeMerchant, the motion to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on August 28, 2009 was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

**4. Report of Cash Position as of August 31, 2009**

Mr. Scolavino presented the report of Cash Position as of August 31, 2009.

**5. Report of Portfolio Activity, Delinquency Loans and Loan Forbearances as of August 31, 2009**

Mr. Scolavino presented the report of Portfolio Activity, Loan Delinquency Report and Loan Forbearance Report as of August 31, 2009. Mr. Moses requested an update on loan forbearance noting that each of the borrowers in forbearance is current on payments. Mr. Scolavino gave a status update on each of the four loans currently in forbearance. Mr. Scolavino also discussed the status of PSP, LLC which is the largest loan currently in delinquency. A brief discussion followed among the Board and the Corporation staff regarding Mr. Scolavino's reports.

**6. Other Business**

Corporation staff confirmed that there were no other matters to be discussed during this portion of the public meeting.

**7. Executive Session**

Mr. Fogarty suggested that the Board move into executive session. Upon motion duly made by Mr. Parsons and seconded by Mr. DeMerchant, the motion to move the meeting into executive session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(6) of the General Laws of the State of Rhode Island, as amended, was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

Public session concluded, Mr. Caruolo and Ms. Morgan left the meeting room and executive session began at 9:44 a.m.

**8. Return to Public Session**

Upon a motion duly made by Mr. Parsons and seconded by Mr. Stocker, the motion to conclude executive session and return to public session was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

Executive session concluded, Mr. Caruolo returned to the meeting room and public session began at 10:12 a.m.

**9. Executive Session Vote Ratification**

Mr. Fogarty called for ratification of the votes adopted during executive session. Upon motion duly made by Mr. Parsons and seconded by Mr. Stocker, the following votes were ratified:

To approve the application of RI Carbide Tool Co. for a term loan in the principal amount of \$150,000.00.

To approve the application of Nationwide Diesel Technologies, Inc. for a term loan in the principal amount of \$225,000.00.

To approve a modification to the collateral which will secure the term loan of Goetz Custom Technologies, LLC in the principal amount of \$250,000.00 which loan application was approved at the August 28, 2009 Board meeting.

The following Directors voted in favor of the foregoing: Mr. Fogarty, Mr. Parsons, Mr. Stocker and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

Mr. Queenan then asked to move the next Board meeting from October 22 to the following week. The Board agreed to hold the meeting on Friday, October 30 at 9:00 a.m. There being no further business to come before the Board, upon motion duly made by Mr. Parsons and seconded by Mr. Stocker the meeting was adjourned at 10:15 a.m.

Respectfully submitted,

Earl F. Queenan, Jr.  
Administrator

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